

Statement

of

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THE PROFESSIONAL TRUCK DRIVER INSTITUTE

Before the

HOUSE COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

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INTRODUCTION

Good afternoon Madame Chairwoman Herseth-Sandlin, Ranking Member Boozman, and members of the Subcommittee. My name is Chris Burruss, President of the Truckload Carriers Association, (TCA), the North American Training Management Institute (NATMI) and I am here today as the President of the Professional Truck Driver Institute, (PTDI). I appreciate the opportunity to appear before the Subcommittee on behalf of PTDI and to have this opportunity to voice our support for expansion of the GI bill. PTDI and TCA would also like to commend Representative Michaud for sponsoring HR 1824 and Representatives Miller and Herseth-Sandlin for co-sponsoring the bill, which would enable many unemployed veterans to find quality work in the trucking industry upon reentering the civilian workforce.

After having served in the United States Marine Corps, for 5 years on active duty, and as a veteran of Operations Desert Shield and Desert Storm, I understand the time a veteran spends trying to rejoin the civilian workforce. And, I personally applaud this committee for trying to help our veterans regain their livelihood in a steadfast manner.

The Professional Truck Driver Institute (PTDI), a part of the Truckload Carriers Association, was established by the trucking industry in 1986, and since that time PTDI has become the nation's foremost advocate of standards and professionalism for entry-level truck drivers. This national nonprofit organization's goal is to advance truck driver training, proficiency, safety, and professionalism among drivers. PTDI serves as an independent agent for voluntary certification of entry-level commercial truck driver training. Performance standards established by PTDI are industry-driven and incorporate the Federal Highway Administration's "Minimum Standards for Training Tractor-Trailer Drivers." A certification team verifies that the school maintains compliance with 37 certification standards in areas of course administration; curriculum; instructional personnel; training vehicles; instruction; student evaluation and testing; outcomes and records.

OVERVIEW OF THE COMMERCIAL VEHICLE INDUSTRY

Commercial truck traffic is vital to our nation's economic prosperity and plays a significant role in mitigating adverse economic effects during a national or regional emergency. Our economy depends on trucks to deliver ten billion tons of virtually every commodity consumed—or nearly 70 percent of all freight transported annually in the U.S. In the U.S. alone, this accounts for \$671 billion worth of goods transported by truck. Add \$295 billion in truck trade with Canada and \$195.6 billion in truck trade with Mexico and it becomes apparent that any disruption in truck traffic will lead to rapid economic instability. With these accomplishments, we have made trucking a powerhouse in the transportation arena. No other mode of freight transportation has so successfully - - and so safely – carved out its position in the national economy. The industry has proudly achieved this milestone while reducing the number of fatalities and injuries from large truck crashes.

By way of background, the industry has several transportation sectors within it, with different types of truck carriers classified for different purposes. The less-than-truckload (LTL) carrier provides transportation of partial-load shipments or full trailer-load shipments that go to multiple destinations. LTL carriers are comprised of two distinct segments, national LTL and regional LTL. The national LTL participants operate a "hub-and-spoke" network with an average length of haul of 1,200 to 1,400 miles. The regional LTL segment is characterized by numerous carriers, typically nonunion, that operate a modified hub-and-spoke network, with an average length of haul of 200 to 600 miles for most freight. Typically, these truck drivers deliver or pick up merchandise within a dedicated route and are usually home the same day.

Truckload carriers transport trailer-load shipments bound for a single destination and routes tend to be irregular with few terminals (used mainly for maintenance). The shipment is usually 10,000 pounds or more. There are several sub-categories including dry-van, flatbed, temperature-controlled, tanker, and regional and expedited. Operations vary depending on length of haul, which falls into three service categories: long-haul (over 1,000 miles), medium-haul (600-1,000 miles) and short-haul (less than 600 miles). These drivers haul a great deal of freight tonnage across America, including, but not limited to, automobiles, livestock, consumer products, gas, oil and other combustibles, including hazardous materials. Unlike the LTL drivers, this type of driver can spend a great amount of time on the road and may not always return home every day after each run. Many long-haul tractor-trailer drivers drive in teams for long runs—one driver sleeps in a "sleeper berth" for a portion of the route while the other drives. The truckload segment of the sector is really today's rolling inventory allowing goods that are manufactured in the morning to be delivered to their final destination the same evening.

TRUCKLOAD DRIVER SHORTAGE ISSUE

Madame Chairwoman, it is the truckload segment of the truck transportation industry that is facing a critical shortage of qualified drivers. In the next five years, we expect both the economy and trucking to grow 15%. In a little more than a decade, the demand for truck services will increase by more than 30%, which means the trucking industry will transport 3.3 billion more tons of freight than it carries today. To put that in perspective, that's nearly 1 billion tons greater than the total volume of freight that railroads will carry 10 years from now.

In order to accommodate this higher demand, the number of Class 8 trucks will increase by 32%, putting close to 1 million additional trucks on the road. This equates to needing the same amount of drivers in order to move the freight. The ATA report released in May 2005, reported that it estimates that between 2004 through 2014, the size of the white male population between the ages of 35 to 54, a demographic group that provides over half of all long haul truck drivers currently, will decline by 3 million¹. Further, Global Insight's projection of trend growth in the potential *supply* of and *demand* for long-haul heavy-duty truck drivers indicates a widening imbalance during the next ten years.

¹Global Insights Inc., *The U.S. Truck Driver Shortage: Analysis and Forecast, May, 2005*.

Currently, there is already a shortage of long-haul heavy-duty truck drivers of approximately 20,000 needed to haul freight tonnage across the country.

CHALLENGES TO RECRUITING QUALIFIED TRUCK DRIVERS

Through my involvement as a past State Trucking Association President and now as President of PTDI and TCA, I can tell you that often times, truck driving schools and carriers have to reject more applicants than they can actually enroll, despite the severe driver shortage. The reason for this is that the truck-driving industry is heavily regulated. The Department of Transportation, through the Federal Motor Carrier Safety Administration, places many restrictions on the type of individual that carriers can and cannot hire to drive a truck. The industry is presently awaiting the new recommended entry-level driver training requirements from FMCSA. Further, insurance companies that underwrite carriers can place even more restrictions on a company regarding who they can hire as a truck driver.

Under the FMCSA regulations, a “qualified driver” applying for an interstate truck driving job, generally speaking, is a driver who is: at least 21 years old; can successfully pass physical qualifications and examinations; can understand the English language; passes a controlled substances test; and, if carrying hazardous materials, completes a fingerprint/background check as prescribed by the Transportation Security Administration to be declared not to be a national security risk. TCA was disheartened when FMCSA turned down our petition for a pilot program to allow qualified and specially trained 19 and 20 year olds to operate commercial motor vehicles in interstate commerce. Current federal regulations prescribe a minimum age of 21 for interstate truck drivers, even though the same commercial vehicles can be legally operated in intrastate commerce by drivers below the age of 21 in every state except two. We hope to revisit this petition as a way to gain drivers that we currently lose to other trades where there is not an age requirement. Stringent government regulation is, by no means, the *only* factor responsible for the driver shortage problem—there are several reasons why it exists. Both TCA and ATA are studying this critical industry issue and are exploring new ways to address it.

The critical issue is the lack of available funding for students who would like a career in professional truck driving and are otherwise qualified, but cannot afford the cost of tuition to attend a professional truck driving training school. The national average tuition to attend a professional truck driving training school for an average of four to six weeks is \$4,000². I emphasize that these are just averages. Driver training is essential and must be taught by a reputable truck driving school in order for the driver to obtain the knowledge and skills to successfully pass both the written and road-testing requirements of the commercial drivers licensing test. A company will not hire a driver, nor will any civilian individuals legally be able to drive a commercial motor vehicle, without a valid, state-issued CDL. (Please note each state has its own CDL test requirements, it is not a Federal standardized test.)

² National Association of Publicly-Funded Truck Driver Schools Survey, 2004

For the prospective truck driver student, who has the means to finance his/her education at a proprietary (privately-owned) truck driving school, there is no problem. However, for the student or veteran who would like to attend truck driving school but does not have the means, financing his/her education can be a daunting, often disappointing task. These students, in many cases, must apply for high interest, personal loans—some of whom are turned away due to poor credit history. Others weed through the web of federal bureaucracy to find an alternative funding source, consisting of either full or partial federal grant funds.

Publicly-funded truck driver training programs are often times operated out of the community college or vocational school system. They do not operate on a “for-profit” basis and in most cases, can offer a somewhat lower rate of tuition for truck driver training programs.

CURRENT GI BILL SYSTEM OF EDUCATIONAL ASSISTANCE NOT AN EFFICIENT FUNDING MECHANISM FOR TRUCK DRIVER TRAINING SCHOOL TUITION

Accelerated benefits, which have in the past been available for high-tech occupations since 2002, make short-term, high-cost training programs more attractive to veterans by paying benefits in lump sum per term, and by covering a greater share (60%) of the cost of such programs. H.R. 1824 would expand this program to eligible veterans seeking employment in the high demand field of commercial trucking.

Under the current system a veteran who is eligible for full time, active duty MGIB benefits may receive a maximum monthly educational benefit of \$1004. Most truck driving schools, through their financial aid offices, submit a veteran student truck driver’s DD-214 to the VA for processing. From that point, it can take upward of 45 days before the veteran student receives his or her first \$1004 MGIB benefit check to apply toward the school’s tuition cost. Schools that work with veterans report that there is a tremendous lag time between payment and services rendered. By the time a veteran receives his or her first \$1004 check the student may have completed one-half of his or her \$4,000 worth of training, depending upon the school selected.

Public, private or carrier-based truck driving training schools do not typically operate on a traditional semester-based system. More-or-less, they operate on a rolling schedule, with new enrollments/classes beginning every few weeks. For a school that has been qualified by the VA to receive MGIB educational benefits, the current VA funding mechanism through which the school receives payment from the MGIB recipient is far from efficient.

Upon the veteran student’s completion of the two to three month truck driver training program, the school may have collected approximately two to three thousand dollars in MGIB benefit monies of the \$4,000 tuition fee still owed. Because the truck driver training school has no control over the distribution of MGIB funds, when or whether the school will receive full tuition payment can create concern for all involved parties.

A CAREER IN LONG HAUL TRUCK DRIVING

For those individuals who are willing to work, are careful, safe and responsible, the trucking industry offers them a wonderful opportunity. There are very few industries where an individual with a high school degree enter a profession with only 4-6 weeks of training, which is unlikely to experience “downsizing” and, offers them an entry-level possible salary of between \$42-45,000 a year. However, once trained these positions can enable a veteran to make an upwards salary of \$60,000-\$100,000 or more if they choose to become an Owner Operator. Without a doubt, today’s new professional driver must be as savvy about technology as most white collar workers, and lack of this knowledge may slow down career progress. What the trucking industry also offers is job security; these training dollars will stay in the United States.

There are, as is the case with every job, downsides to long-haul truckload truck driving which are usually explained at the outset by the school instructor to every truck driver trainee. For those who chose to leave the truck driving profession, the most often-cited reason was the lifestyle. Long haul truck driving requires that the driver spend varying degrees of time away from home and a lot of time on the road. The industry is addressing this issue and many companies are trying to address the lifestyle issue by seeking ways to allow the driver more “home time.”

VETERANS ARE OUTSTANDING CANDIDATES FOR EMPLOYMENT IN THE TRUCKING INDUSTRY

According to most truck driving schools, the reason they like to recruit veterans is simple. Most truck driving school recruiters, former military personnel make the best students and have a higher training graduation rate than their civilian counterparts. From the trucking companies’ perspective, veterans have the reputation of being outstanding employees. Their military training and background lends itself to (among other traits) leadership, respect for procedures, integrity and teamwork---ideal characteristics sought by all employers but vital to the success of a professional commercial truck driver. Additionally, most veterans, particularly those who have been recently separated from the armed services, are able to pass the drug and alcohol screening tests; the physical examination process; and, may have a good civilian driving record. For veterans whose military occupational specialty, or MOS, involved heavy truck driving, professional commercial truck driving may be a natural career path. What is also an advantage for the veterans, is although they are use to be away from their families, when they finally get home, they do not want to have to move their families. As this is a job that moves across the United States, you can leave your family situated were they are, and take a job in another state.

Although a military license does not automatically convert into a CDL in most U.S. states, the skills gained driving a truck in the military are certainly of great value when applying them to a truck driver training school program. TCA has communicated with

the Department of Labor and the Department of Veterans of Affairs in an effort to make the licensing transition less complicated.

Many PTDI schools have created special evaluations for the veterans reentering the workforce with their MCDL, to see exactly how much training they will require. Many times they just need refresher courses, or specific training in the regulations, and then they are accommodated accordingly.

CONCLUSION

In closing, Madame Chairwoman, I would like to ask that this subcommittee join, PTDI and TCA in support of Congressman Michaud's bill H.R. 1824. Our Veterans looking for a second career deserve our support.

As an industry projected to add substantial numbers of new jobs to the economy, the transportation industry and PTDI is interested in working with you to address the skill shortage and workforce challenges. As an industry that has been recognized in the President's High Growth Job Training Initiative at the Department of Labor, we look forward to working with the Subcommittee to further this initiative.

This concludes my remarks, Madame Chairwoman. Thank you.